

Business Unit Semi-Crystalline Products



A Solid Performer – Ready for Growth

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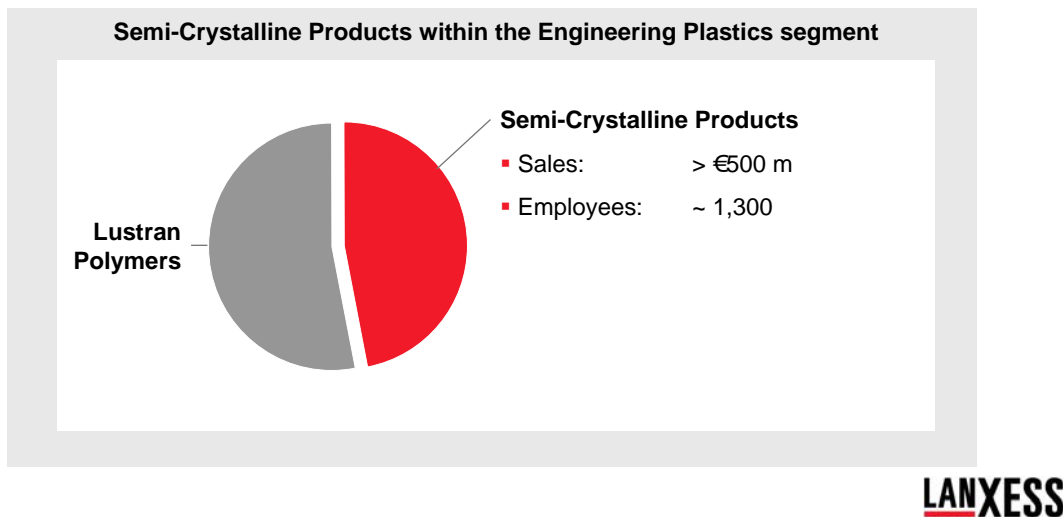
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Energizing Chemistry

Semi-Crystalline Products – a sizeable player in the LANXESS portfolio



Semi-Crystalline Products – a leading supplier of hightech plastics

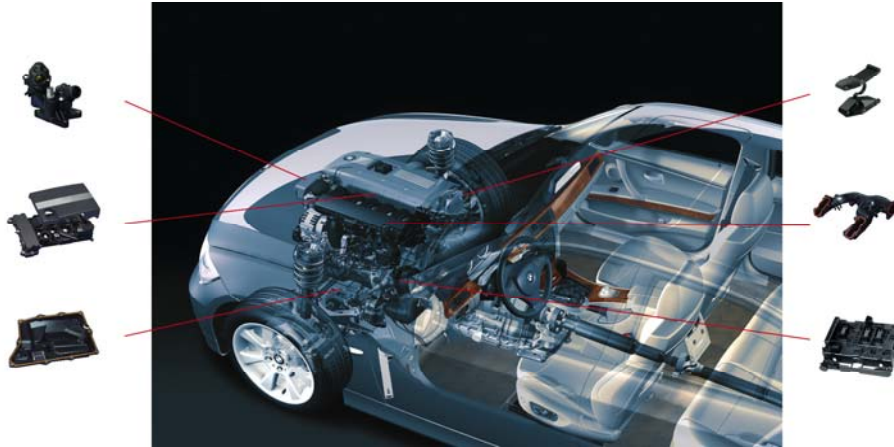
- **Durethan®** - hightech plastic based on Polyamide
- **Pocan®** - hightech plastic based on Polybutylenterephthalat
- Material of choice for the production of construction parts with advanced end requirements
- **Durethan®** and **Pocan®** containing construction parts are mainly used in the automotive and electrical industries
- Technology leadership with materials and system solutions



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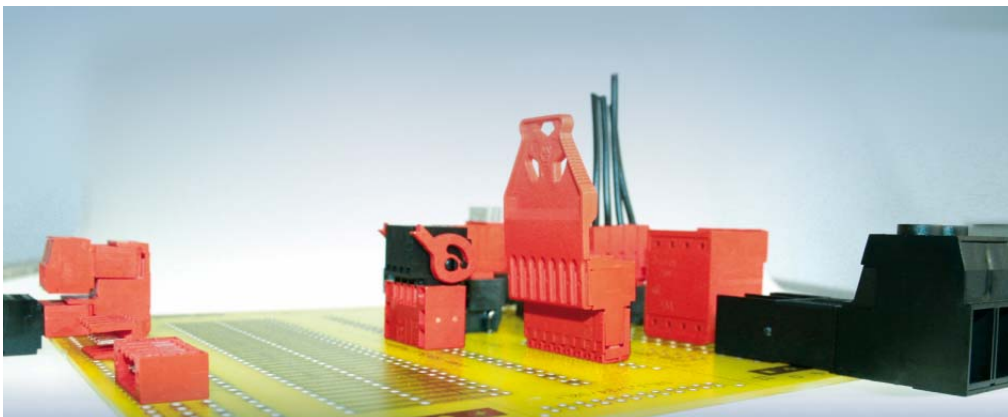
**Durethan® –
excellent combination of stiffness, toughness and strength**



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**Pocan® –
excellent combination of strength and electrical properties**



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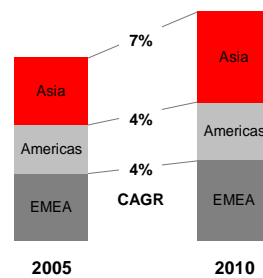
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Durethan® and Pocan® – successful in a fast growing market

Market Development

- Expected annual global market growth by volume ~ 5% (2005-2010)
- Biggest growth region is Asia (China)
- High growth potentials above GDP due to ongoing substitution of metals by Engineering Plastics and development of new applications

PA and PBT hightech plastics market



Total market 2005: ~ € 7.0 bn

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Semi-Crystalline Products – a solid performer in a competitive environment

- **Top 5 global suppliers**
 - LANXESS
 - BASF
 - DuPont
 - DSM
 - Rhodia
- **LANXESS – very strong position in Europe**
- **Durethan® and Pocan® business is increasingly developing in Asia**



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Semi-Crystalline Products – backwards integrated with important Intermediates



Hightech Plastics

- Durethan®
- Pocan®



Intermediates

- Caprolactam
- Adipic Acid
- Glass Fibers

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Intermediates – cost and asset leadership

- World-scale plants in Uerdingen, Germany (Adipic Acid) and Antwerp, Belgium (Caprolactam, Glassfibers)
- Demand from growing hightech plastics business ensures full capacity utilization
- Ongoing efficiency programs to safeguard cost leadership (e.g. restructuring phase IV)



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Durethan® and Pocan® – close to customers and global presence



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Wuxi, China – successful investment in record time

- Manufacturing of Durethan® and Pocan®
- Actual capacity of 20,000 t/year
- Capacity by end 2007 of 40,000 t/year
- Capital investment €20 m



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Durethan® and Pocan® – strategy for growth

- Growth of Durethan® and Pocan® business within market growing above GDP level
- Aggressive positioning in Asia
- Continue to capitalize on our successful European market and technology position
- Ongoing investment in product and application development
- Growth supported by investments in new production lines following lean asset strategy



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Semi-Crystalline Products – a solid performer ready for profitable growth

Market	Good position in a fast growing market for Engineering Plastics	✓
Products and Technology	Advanced product portfolio and technology leadership	✓
Cost Position	Cost and asset leadership in Intermediates	✓
Profitable Growth	Continue aggressive strategy in Asia	✓

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